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## **INTRODUCTION**

International Academy of Flint entered into contract #BA-02-25004 with the Michigan Family Independence Agency (FIA) to provide an After-School Program for children in grades K-9. The children were to participate in academic development activities, parent and student social events, student clubs, leadership development activities, intramural sports, and life skills programs. The contract totaled \$136,202, and covered the period October 1, 2001 through June 30, 2002. The International Academy of Flint was reimbursed for actual costs incurred, through the submission of monthly billings to FIA.

## **SCOPE**

The Office of Internal Audit performed an audit of International Academy of Flint to determine if the Agency's billings were accurate, allowable, and properly supported by the accounting records and supporting documentation in accordance with the terms of the contract. Our review covered the period October 1, 2001 through April 30, 2002.

## **EXECUTIVE SUMMARY**

Based on our audit, we conclude that International Academy of Flint overbilled FIA \$1,073.02 for fringe benefits and local transportation. Our report recommends the Field Operations Administration initiate the process to recoup \$1,073.02 from the International Academy of Flint.

## **AGENCY RESPONSE**

The management of International Academy of Flint has reviewed the findings and recommendations included in this report. They indicated in a telephone conversation on July 29, 2002 that they agreed with the report, and had already made the recommended corrections to their billings.

## **FINDINGS AND RECOMMENDATIONS**

### Fringe Benefits

1. International Academy of Flint overbilled the fringe benefit line item by \$514.97. The billed cost was \$281.46 more than the costs contained in the general ledger. The FICA tax was overbilled by \$147.87 and the Unemployment and Workers' Compensation insurance was overbilled by \$85.64.

### Local Transportation

2. International Academy of Flint overbilled the Local Transportation line item \$558.05 due to a prior period transportation item being billed in the current contract year.

WE RECOMMEND the Field Operations Administration initiate the process to recoup \$1,073.02 from the International Academy of Flint.

### Case File Review

3. We reviewed the case records for the entire population of 247 students for the period October, 2001 through March, 2002 and found all TANF and survey forms were on file.